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February 11, 2015

Mr. Patrick C. Woods
Director, Regulatory and Compliance Services
East Kentucky Power Cooperative, Inc.
Post Office Box 707
Winchester, Kentucky 40392

Re: Case No. 2010-00449

Dear Mr. Woods:

Commission Staff has reviewed East Kentucky Power Cooperative Inc.'s ("EKPC") letter of December 23, 2014, and the attached Smith Unit 1 Asset Cost Mitigation Report ("Mitigation Report"). EKPC continues to file the Mitigation Report on a quarterly basis. The current Mitigation Report is the fifteenth such report. While the Mitigation Report generally describes EKPC's efforts to market and sell the remaining Smith 1 assets, it also provides, among other things, an update on the balance of the regulatory asset (\$150,325,379.53 at December 31, 2014) and the number of inquiries received (343 as of December 31, 2014). With the exception of providing an update of the balance of the regulatory asset and the number of inquiries, the quarterly reports are essentially the same as the first Mitigation Report submitted June 30, 2011.

In order to more clearly ascertain the relevance and reasonableness of EKPC's mitigation efforts, Staff requests that EKPC specifically address the following issues in its next Mitigation Report, which is due by April 1, 2015.

1. Describe the physical condition of the remaining assets.
2. Describe how the assets are maintained and/or stored.
3. Identify the annual cost associated with the maintenance or storage.
4. Identify the criteria used to determine the interest of potential buyers in acquiring the equipment.

5. Describe EKPC's marketing efforts.
6. Explain at what point EKPC plans to cease efforts to market the remaining assets.
7. Identify any assets (and their value) that can be used by EKPC at any of its other generating stations.

If you have any questions concerning this request, feel free to contact Richard Raff or Aaron Greenwell at 502-782-2588 or 502-782-2563, respectively.

Sincerely,



Jeff Derouen,
Executive Director